

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-05 H-01 INR-07 L-03
NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06
IO-13 ACDA-12 OMB-01 TRSE-00 /085 W
-----127444 222150Z /41

R 221734Z DEC 77
FM AMEMBASSY LISBON
TO SECSTATE WASHDC 4178
INFO AMEMBASSY BONN
AMEMBASSY LONDON
AMEMBASSY MADRID
AMEMBASSY MOSCOW
AMCONSUL OPORTO
AMEMBASSY PARIS
AMCONSUL PONTA DELGADA
USMISSION USNATO
DIA WASHDC
USCINCEUR VAIHINGEN GER
USNMR/SHAPE BRUSSELS BEL
COMUSFORAZ

C O N F I D E N T I A L SECTION 1 OF 2 LISBON 9713

E.O. 11652: XGDS-3
TAGS: PINT, PO
SUBJECT: UPDATE FROM AMARO DA COSTA

REF: LISBON 9619 (DTG 191634Z DEC 77)

SUMMARY: CDS CHIEF NEGOTIATOR AMARO DA COSTA SAYS THAT
ALTHOUGH FORMAL TALKS WITH THE SOCIALISTS HAVE BEEN BROKEN
OFF, INFORMAL LINES OF COMMUNICATION REMAIN OPEN. THE PS
AND CDS ARE EACH ATTEMPTING TO FORCE LAST MINUTE CONCESSIONS
FROM THE OTHER WITH THE POSSIBILITY OF NO AGREEMENT LOOMING
LARGER. SA CARNEIRO IS WAITING ON THE SIDELINES, STILL
INTENT UPON FORCING A SOLUTION ON HIS TERMS. END SUMMARY.
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1. TOWARD A PS-CDS UNDERSTANDING: CDS NEGOTIATOR AMARO DA
COSTA SUMMARIZED FOR POLITICAL COUNSELOR ON DEC 22 THE
SEQUENCE OF NEGOTIATIONS WITH THW SOCIALISTS. THE CDS
NEGOTIATORS HAVE HELD FIVE MEETINGS WITH THEIR PS COUNTER-
PARTS WITH THE FOLLOWING RESULTS:
-- THE FIRST MEETING ON DEC 14 WIDENED THE DIALOGUE AND

PRODUCED PROGRESS ON AN AGENDA.

-- THE SECOND MEETING ON DEC 16 PRODUCED AGREEMENT IN PRINCIPLE ON 18 POINTS OF COMMON INTEREST AND REPRESENTED A SIGNIFICANT ADVANCE.

-- THE THIRD MEETING ON DEC 18 REPRESENTED A RETROGRESSION IN DISCUSSIONS; THE SOCIALISTS SOUGHT TO REOPEN SEVERAL OF THE POINTS PREVIOUSLY AGREED TO IN PRINCIPLE.

-- THE FOURTH MEETING ON DEC 19 PRODUCED A BREAKTHROUGH. PRELIMINARY AGREEMENT WAS REACHED ON ALL OUTSTANDING ISSUES. BASED ON THIS PROGRESS, THE NEGOTIATORS DECIDED TO UPGRADE DISCUSSIONS TO THE PARTY LEADERSHIP LEVEL.

-- THE FIFTH MEETING ON DEC 20, A SOARES FREITAS DO AMARAL PRIVATE LUNCHEON WAS A DISASTER. SOARES, "APPARENTLY UNDER THE INFLUENCE OF SALGADO ZENHA AND OTHER PS HARDLINERS," SOUGHT TO REOPEN ALL QUESTIONS. SOARES, WHO DID MOST OF THE TALKING, REFUSED TO CONCEDE ANY OF THE POINTS PREVIOUSLY ACCEPTED BY PS NEGOTIATORS. FREITAS DO AMARAL WAS FURIOUS WITH WHAT HE CONSIDERED TO BE A NEGOTIATING PLOY BY SOARES. THE MEETING ENDED ON POLITE BUT NON-COMMITTAL TERMS. SOARES, WHO MISINTERPRETED FREITAS DO AMARAL'S SILENCE AS ASSENT, THOUGHT HE HAD WON THE DAY. HE SUBSEQUENTLY BERATED PS NEGOTIATORS FOR BEING "TOO SOFT," HE SOON FOUND OUT OTHERWISE. THE CDS BROKE OFF NEGOTIATIONS.

2. WAITING FOR GODOT: AMARO DA COSTA SAID THE CURRENT SITUATION WAS ONE OF WATCHFUL WAITING BY BOTH SIDES. THE CONFIDENTIAL

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CDS BELIEVED THAT IT WAS AGRIEVED PARTY AND THAT THE NEXT INITIATIVE SHOULD COME FROM THE SOCIALISTS. THE CDS CATEGORICALLY REFUSED TO REOPEN TALKS ON ANY OF THE POINTS PREVIOUSLY AGREED TO BY PARTY NEGOTIATORS. THE CDS BELIEVED THAT FURTHER PROGRESS COULD ONLY BE ACHIEVED AT THE SOARES/AMARAL LEVEL.

3. INFORMAL LINES REMAIN OPEN: ALTHOUGH FORMAL NEGOTIATIONS HAD BEEN BROKEN OFF, AMARO DA COSTA ACKNOWLEDGED THAT INFORMAL TALKS WERE CONTINUING. CDS NEGOTIATOR BASILIO HORTA HAD AN "INFORMAL DISCUSSION" WITH JAIME GAMA ON DEC 21 IN AN EFFORT TO UNBLOCK THE SITUATION. HORTA, WHO EMPHASIZED HE WAS SPEAKING ON A PERSONAL BASIS, PROVIDED GAMA WITH FURTHER DETAILS ON THE ESSENTIALS OF AN AGREEMENT ACCEPTABLE TO THE CDS. GAMA ALSO ACTING ON A PERSONAL BASIS PROVIDED PS REACTIONS. COSTA WAS NEITHER OPTIMISTIC NOR PESSIMISTIC REGARDING PROSPECTS FOR AN AGREEMENT. ASSUMING NO UNDERSTANDING WITH THE SOCIALISTS, COSTA SAID THE CDS WOULD SUBMIT A REPORT TO THE PRESIDENT ON DEC 23 OUTLINING THE COMPLETE HISTORY OF BILATERAL DISCUSSIONS. IF PS-CDS TALKS FAILED, COSTA SAW NO ALTERNATIVE SHORT OF ELECTIONS.

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4. A VIEW FROM THE PRESIDENCY: PRESIDENTIAL CHIEF OF CIVIL HOUSEHOLD HENRIQUE GRANADEIRO TOLD AMBASSADOR AND DCM ON DEC 22 THAT HE REMAINED SKEPTICAL REGARDING AN EARLY RESOLUTION OF THE POLITICAL IMPASSE. GRANADEIRO THOUGHT THE PRESIDENT WOULD ISSUE A SHORT STATEMENT FOLLOWING RECEIPT OF PARTY POSITION PAPERS ON DEC 23 DESCRIBING THE RESULTS OF INTER-PARTY NEGOTIATIONS. IF NO AGREEMENT AMONG THE PARTIES APPEARED POSSIBLE, GRANADEIRO SAID HE WAS CONSIDERING RECOMMENDING THAT THE PRESIDENT SELECT HIS OWN GOVERNMENT AS A LAST RESORT PRIOR TO AN ELECTION CALL.

5. NO HELP FROM SA CARNEIRO: FORMER PSD PRESIDENT SA CARNEIRO, IN HIS WEEKLY "POVO LIVRE" ARTICLE, SCORED THE
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PS ATTEMPT TO NEGOTIATE "DOUBLE PLATFORMS," ONE WITH THE PCP AND THE OTHER WITH EITHER THE PSD OR CDS. SA CARNEIRO WARNED THAT THE PSD WOULD NO PART OF AN AGREEMENT WITH THE PS IF THE PS ATTEMPTED TO NEGOTIATE A SEPARATE AGREEMENT WITH THE PCP. THE PCP MOUTHPIECE "O DIARIO" IN ITS DEC 22 EDITORIAL REPLIED IN KIND, STATING THAT "EVERYBODY KNEW THAT SA CARNEIRO STILL DICTATES THE PSD LINE AND WILL ACCEPT NO SOLUTION TO THE CRISIS WHICH IS NOT HIS OWN."

6. COMMENT: THE THREE DEMOCRATIC PARTIES ARE WAGING PSYCHOLOGICAL WARFARE. THE PS AND CDS ARE EACH ATTEMPTING TO FORCE LAST MINUTE CONCESSIONS FROM THE OTHER. WITH THE POSSIBILITY OF NO AGREEMENT LOOMING LARGER. SA CARNEIRO IS WAITING ON THE SIDELINES, STILL INTENT UPON FORCING A SOLUTION ON HIS TERMS.
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